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**U.S. Trade Representative Submits Report to Congress
on the Caribbean Basin Initiative**

WASHINGTON - Nearly 20 years after its enactment, the Caribbean Basin Initiative (CBI) continues to strengthen export performance and raise living standards among Caribbean and Central American countries, according to a report submitted to Congress today by United States Trade Representative Robert B. Zoellick. The report also states that the CBI trade programs boost prospects for U.S. exporters, by creating stronger markets for U.S. goods and services.

“The CBI remains one of the best examples of the positive power of trade,” said Ambassador Zoellick. “By opening its market to producers in the Caribbean and Central America, the United States is supporting the development of more prosperous economies, and stronger democracies, among our closest neighbors. American consumers benefit from the duty-free treatment of Caribbean Basin products. As part of the same process, we’re creating more robust markets for the United States, with the CBI region now ranking 9th among U.S. export markets.”

The biennial report released today discusses trade benefits that the United States extends to Caribbean and Central American countries. The Caribbean Basin Economic Recovery Act (CBERA), originally enacted in 1983, provides 24 countries in the Caribbean and Central America with duty-free access to the U.S. market for most products. Enactment of the Caribbean Basin Trade Partnership Act (CBTPA) in 2000 marked an important expansion of these benefits, allowing duty-free and quota-free treatment for certain apparel assembled in qualified CBI countries, and applying reduced duties to certain other previously-excluded products. The report notes that, for the January-September 2001 period, \$3.5 billion in CBI goods entered the U.S. under the enhanced trade benefits of the CBTPA (nearly 25 percent of total U.S. imports from the region). U.S. exports to CBI countries totaled \$20.7 billion in 2000.

The CBI statutes impose conditions that countries must meet to be designated as beneficiary countries and to maintain that status. The USTR report assesses the current performance of CBI beneficiary countries with respect to these eligibility factors.

The report will be posted on the USTR web-site, www.ustr.gov.

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